

**SUBMISSION
LEGISLATIVE ASSEMBLY
PUBLIC ACCOUNTS COMMITTEE**

Prepared by Kate Hughes PhD
Director Econeco PL
12 April 2005

INTRODUCTORY NOTE

This contribution to the Committee's Inquiry has been made well after the due date for submissions. However, the matter is so important that the following points have been made in the hope that they may still be relevant to the Committee's deliberations. The submission not comprehensive and merely outlines some matters and provides information regarding an initiative completed in the Year 2000 to improve sustainability reporting within the public sector.

Many of the matters relevant to the Committee's deliberations, as they pertain to local government, were explored at length in 2001 by Professor Maurice Daly. His four volume report was commissioned by this writer as part of the Olympic Coordination Authority's Ecology Programs (1998-2001). These reports have been provided to the Commission with the permission of Professor Daly.

SECTION ONE

Current requirements for sustainability reporting

- State of Environment Reporting is the main mechanism for compliance
- There is no connection between local government SOE reporting and State Government SOE Reporting
- The quality of monitoring of compliance is not known although it seems the local government SOE reports are delivered as documents and then filed, without adequate assessment and feedback.
- There is a lack of resources to achieve a high quality assessment and compliance. In essence, it seems that "sustainability reporting" appears to be a "tick the box" exercise without a sufficiently solid scientific/ administrative framework.
- Feedback from the NSW Government to the agencies who are required to report is another area of concern. There is no purpose to sustainability reporting unless there is a standardised process for feedback, dialogue

(inquisitorial not adversarial) and the provision of resources to allow improvements to reporting over time

Extent of sustainability reporting within/across NSW government agencies

- It is understood that "Government" includes local government
- In the early 1990s, following the Rio Declaration and Agenda 21, a range of policies and projects to achieve environmental sustainability were embraced by the NSW Government.
- The 1997 amendments to the Local Government Act focussed on ESD matters and devolved many environmental responsibilities from State to Local government, without the necessary resources to support the required activities. (assessment, monitoring, reporting etc)
- Local governments have no capacity to meet the reporting requirements and many do not understand the concepts and thus do not give it the priority required. It remains on the margins of priorities of many local government bodies

Some points for consideration

- Resources, expertise, capacity and commitment are the core elements that shape the quality of sustainability reporting within and across NSW Government agencies
- It is critical to identify the degree of standardisation in reporting mechanisms and to assess if current requirements are sensitive to individual agency needs and their capacity
- In many cases, lack of training within the public service and local government, and the existence of other priorities limit capacity for high quality reporting
- There is a basic need to shift reporting to centre stage and provide improved level of support. Administrative reforms are also necessary, as just making more money available will not fix the basic problems. Extra money, if not properly allocated, will re-inforce existing problems, not solve them.

Sustainability reporting as an integral part of Parliamentary reporting processes

- Requires identification of constraints to achieving integration of at least some aspects of reporting process

Appropriate processes for auditing or verifying sustainability reports

- Totally inadequate resources exist for auditing and verifying sustainability reports. What dedicated resources are allocated by Government for this complex task and what mechanisms/tools are used?
- A commitment to allow improved reporting mechanisms that have scientific, social and economic dimensions is easy to make but hard to do
- new structure and process is needed to achieve the necessary improvements

How effective are the links between sustainability reporting and actions within and across agencies?

- Well presented reporting often masks inadequate/poorly focussed actions
- The *dis-connect* between local and state government agency reporting is a key area of concern
- The prevailing "tick the box" approach is the result of lack of time and expertise as well as the competing priorities of state and local government
- The emphasis is very often on presentation of very general information enhanced with case studies that do not provide an adequate assessment of the State of the Environment

SECTION TWO

Sustainability reporting initiatives within the public sector in Australia and in international jurisdictions;

The environmental legacy of the Sydney Olympic Games

- The Ecology Programs aimed to provide an environmental legacy from the year 2000 Sydney Olympic Games. The Programs allocated considerable resources from its' \$11.6 million budget to exploring current constraints to the implementation of Ecologically Sustainable Development at local government level. This was achieved in part by the commissioning of Professor Daly's report.

- The other key area of effort was to develop technical tools for improved asset and environmental monitoring, management, reporting and communication, at both local and state government level. The result was the world-first Ecology Data Bank, a spatially integrated data base, utilising Geographic Information Systems technology and standard document management systems. The Ecology Data Bank was designed to provide the necessary framework for high quality sustainability reporting into the future.
- The original structure of the Ecology Data Bank, now called the data bank by the Sydney Olympic Park Authority (SOPA) combined education, research, information management and communications. With this integration of functions, the spatially integrated data management and reporting system has the capacity to provide a robust mechanism within which "sustainability reporting" can be achieved to a high quality.
- Existing data sets, generated by Section 12 of the Local Government Act requires that data be collected to improve the implementation of "sustainability" activities . It has resulted in a substantial body of data that can be used as a basis of improved reporting to the NSW Government. However, most of this data is not adequately utilised and represent a waste of NSW intellectual capital

The processes used to achieve integration between the dimensions of social, economic and environmental sustainability and core principles of sustainability

- Current processes often involve inter-departmental committees and working parties; these ad hoc structures are often used to "go through the motions" of integration but in reality, not much has been achieved in this regard
- the concept of "triple bottom line" reporting is useful
- real integration requires a major effort of Public Service reform

The value of core sustainability indicators across all public sector agencies versus development of indicators which are agency specific

- Core sustainability indicators are useful but their true value can only be realised when integrated into a spatial context. *Catchment* is a key concept here.

- A review and revision is needed so that additional indicators can be developed that have a demonstrated and user-friendly relationship with a given physical area
- Core sustainability indicators can be more productively utilised by integration to a spatial context, as demonstrated by the Ecology Data Bank

COMMENTS

It is suggested that the Committee

- Read the report by Professor Daly
- View a demonstration of the Ecology Data Bank, as its functions relate to "sustainability reporting"

As case studies, it is suggested that the Committee review the reporting of:

The Georges River Foreshores Improvement Program.

- Key questions relate to the ratio of written reports to on-the-ground works/practical research projects and plans for land and water remediation.
- What tasks were tackled, what were the results and what report back was provided regarding the results of this multi-million dollar government project?

The reporting of ESD initiatives at Sydney Olympic Park Authority

- SOPA ESD reporting focuses on the built environment; a "feel good" feeling is generated, but in reality, it is the conflict-free ESD activities are undertaken and reported on. It is a case of "picking the lowest fruit"
- ESD reporting neglects robust reporting on the state of the physical and remediated environment, which lies within a polluted urban catchment
- The purpose-built tools which were delivered at the end of the Sydney Olympic period, and designed specifically as an ESD legacy, are not utilised. Specifically the Ecology Data Bank and the "weight of evidence" approach to environmental monitoring are not recognised as central to high quality ESD reporting. Both of these *green Olympics legacy* tools are undervalued and have not been utilised to their full potential.
- A proposal from the Sydney Olympic Park Authority to develop the Parklands Foundation is currently before the NSW Treasurer. This writer does not know the nature of this submission. However, unless this Foundation is independent of the current SOPA structure it will be unable to fully secure the

environmental legacy of the 2000 Games. If properly structured, The Parklands Foundation is the ideal vehicle for developing robust and practical tools for sustainability reporting at local government level. Its' foundation is the Ecology Data Bank and already over \$11 million of NSW Government money has been invested in it.

For further information contact Kate Hughes: econeco@hawknet.com.au
45723332/0408 433 160